



FROM THE OFFICE OF SENATE MAJORITY LEADER

**LENA A. GONZALEZ**

SENATOR 33<sup>RD</sup> SENATE DISTRICT

## SB 991 (Gonzalez) LAUSD Office of Inspector General

### SUMMARY

Senate Bill (SB) 991 will remove the January 1, 2025 sunset date from existing law that authorizes the Los Angeles Unified School District (LAUSD) Office of Inspector General (OIG) to conduct audits and investigations, and issue subpoenas in order to prevent, detect, and deter fraud, waste, and abuse in the district's various programs, contracts, and construction projects.

### EXISTING LAW

In a recognition of LAUSD's unique size and to increase transparency and accountability, the Legislature and Governor granted the district the authority to conduct audits and investigations with the passage of SB 1260 (Hayden), Chapter 295, Statutes of 1999.

This legislation provided that LAUSD's OIG have the ability to subpoena witnesses, administer oaths or affirmations, take testimony, and compel the production of information when there is a reasonable suspicion that a law, regulation, or policy has been violated. This authority has been extended multiple times, with the most recent extension in 2014.

### BACKGROUND/PROBLEM

LAUSD is the second largest school district in the nation, serving over 540,000 students in a district that covers 710 square miles and serves portions of 25 cities and areas of Los Angeles County.<sup>1</sup> With a General Fund budget of

\$10.6 billion, LAUSD's annual spending is larger than the budgets of 13 U.S. States.

A district as large and diverse as LAUSD, is extremely unique and requires special attention to ensure there is no waste, fraud, or abuse. As a government entity that has constructed 136 new schools since 1997, and completed close to 24,000 rehabilitation and modernization projects,<sup>2</sup> LAUSD must possess a meaningful authority to ensure that construction contracts, procurement contracts, student services, and other important programs don't fall victim to poor performance or illegal activity.

In the last 5 years, OIG independent investigations have resulted in 39 criminal convictions for charges ranging from larceny and wire fraud, to conspiracy to embezzle public funds.<sup>3</sup> During 2023 alone, the OIG identified \$6.5 million in monetary benefits as a result of its audits, investigations, and technical evaluations.<sup>4</sup>

The OIG also maintains a 24 hour hotline<sup>5</sup> to receive reports of fraud, and LAUSD employees are protected under a whistleblower protections. In 2023 the OIG received 418 complaints, most of which required some level of investigative follow-up.<sup>6</sup>

Unfortunately, after 25 years of existence the OIG's authority to investigate, audit, and subpoena witnesses is set to sunset on January 1, 2025. Unless the Legislature

<sup>1</sup><https://www.lausd.org/site/handlers/filedownload.ashx?moduleinstanceid=81764&dataid=135710&FileNm=Fingertip%20Facts%202023-2024.pdf>

<sup>2</sup>[https://my.lausd.net/webcenter/portal/LAUSD/pages\\_offices/officeoftheinspectorgeneral](https://my.lausd.net/webcenter/portal/LAUSD/pages_offices/officeoftheinspectorgeneral)  
<sup>3</sup><https://www.lausd.org/site/handlers/filedownload.ashx?moduleinstanceid=81764&dataid=135710&FileNm=Fingertip%20Facts%202023-2024.pdf>

<sup>4</sup><https://www.lausd.org/site/handlers/filedownload.ashx?moduleinstanceid=16199&dataid=135371&FileNm=FY%202023%20Annual%20Report%20to%20BOE%2007312023.pdf>

<sup>5</sup><https://www.lausd.org/Page/6983>

<sup>6</sup><https://www.lausd.org/site/handlers/filedownload.ashx?moduleinstanceid=16199&dataid=135371&FileNm=FY%202023%20Annual%20Report%20to%20BOE%2007312023.pdf>

acts to make this authorization permanent, California’s largest school district will lose its ability to root out fraud, waste, and abuse, and California will lose one of its most effective good-governance tools.

#### **SOLUTION**

---

SB 991 will remove the 2025 sunset date, and allow the LAUSD OIG to continue its transparent oversight responsibilities in perpetuity. After 25 years of protecting the students and taxpayers from waste, fraud, and abuse – LAUSD’s OIG has demonstrated its efficacy and proved that its unique authority should be maintained.

SB 991 will also require that Inspector General to be appointed by the LAUSD Board of Education for a 3-year term subject to an employment agreement, and require OIG audits and investigations to conform to the Principles and Standards for Offices of Inspector General.

#### **SUPPORT**

---

Los Angeles Unified School District (Sponsor)

#### **CONTACT**

---

Esmeralda Barragan  
(916) 651-4033  
Senator Lena Gonzalez  
[Esmeralda.Barragan@sen.ca.gov](mailto:Esmeralda.Barragan@sen.ca.gov)

